

To: Rockport Select Board  
From: Rockport Economic Development Committee  
RE: EDC letter regarding RES site  
Date: December 15, 2022



Dear Select Board members,

The Economic Development Committee (EDC) has looked at several potential scenarios for the Rockport Elementary School (RES) site from a financial feasibility perspective. These include (1) the development of a town owned park, (2) a low density, market-rate (rental and for-sale) housing concept and (3) the conceptual plan as submitted by the New Height Group (NHG).

The development of a town owned park was deemed unfeasible due to the large necessary investment on behalf of the town to initially develop the site and then to maintain the site in perpetuity. There would be no tax revenue gained from this scenario to help offset the costs of maintenance.

When looking at the second two options, the EDC worked with the Planning and Development Director on how best to establish the financial viability of developing the RES site in accordance with the NHG conceptual plan, as well as a reduced density, housing only plan. Collectively, the EDC and the Planning and Development Director developed a financial feasibility proforma to analyze the potential development costs, revenues and profits for a prospective developer should they be interested in proposing a project similar in scope to the NHG conceptual plan.

After careful review of the proforma, it was determined by the EDC that the conceptual plan put forth by NHG is not financially viable at the proposed density. The most affordable option under the conceptual plan scenario would have produced an approximately 1,000 sq ft condo unit which would have to have been sold at approximately \$490,000 to allow for a return on investment. In fact, it would likely take significantly more density to produce the intended outcome of attainable rental or for sale housing for the median Rockport resident. It should be noted that this analysis was done prior to the last 3 rounds of Federal interest rate increases, which likely makes any project at the RES site unfeasible at this time.

The less developed option for housing resulted in 1,500 sq ft attached homes that would need to be sold for \$710,000 to allow for a return on investment.

At this point in time, it is the recommendation of the EDC that no further action be taken with NHG and that the Town look at other creative options for the use of the site.

Sincerely,

Rockport Economic Development Committee

David Pio – Chair  
Jennifer Lloyd Mirabile – Vice-Chair  
Barrett Brown  
Debra Hall  
Dominic Cordisco  
Richard Anderson  
Anastasia Fisher